

RECORDATION NO. 24957 FILED

MAY 17 04 2-45 PM

SURFACE TRANSPORTATION BOARD

VIA UPS 2nd DAY AIR

May 13, 2004

FIRST UNION RAIL

One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Tel 847 318-7575
Fax 847 318-7588



Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) originals of a Memorandum of Lease Agreement, dated April 2, 2004, a primary document as defined in the Board's Rules for the Recordation of Documents. Please file this Memorandum of Lease as a primary document since a Master Lease has not been filed with the Surface Transportation Board. The names and addresses of the parties to the enclosed document are:

<p>Lessor: First Union Rail Corporation One O'Hare Center 6250 River Road, Suite 5000 Rosemont, IL 60018</p>	<p>Lessee: Montreal Maine and Atlantic Railway, LTD. Northern Maine Junction Park, RR Box 45 Bangor, ME 04401</p>
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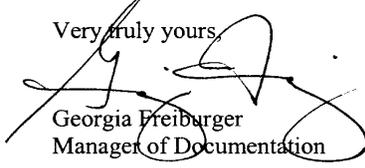
A description of the railroad equipment covered by the enclosed document is twenty five (25) 4750 cu.ft. covered hopper cars, with NOKL marks (see Exhibit A for car numbers).

A short summary of the document to appear in the index follows: Memorandum of Lease

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions regarding the above-referenced matter, please contact me at (847) 384-5387. Thank you for your cooperation in this matter.

Very truly yours,


Georgia Freiburger
Manager of Documentation

Enclosures

(MMAR001)

RECORDATION NO. 24957 FILED

ASSGN. NO.: MMAR001

MAY 17 '04 2-45 PM

MEMORANDUM OF LEASE **SURFACE TRANSPORTATION BOARD**

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 2nd day of April, 2004 by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Montreal, Maine & Atlantic Railway, Ltd., a Delaware corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Master Lease Agreement (the "Lease"), dated as of April 1, 2003, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 1 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of February 22, 2003 and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: [Signature]
Name: R. A. Dombrowski
Title: DIRECTOR OF DOCUMENTATION
By: [Signature]
Name: RICHARD F. SEYMOUR
Title: Vice President Sales & Marketing
Executed on this 2nd day of April, 2004

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

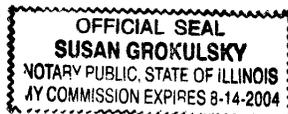
I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 2nd day of April, 2004.

[Signature]
Notary Public

My Commission Expires:

8-14-2004
(Notary Public)



LESSEE:

MONTREAL, MAINE & ATLANTIC RAILWAY, LTD.

ATTEST:

By: Norman J. Griffiths
Name: Norman J. Griffiths
Title: Asst. Secretary

By: Robert C. Grindrod
Name: ROBERT C. GRINDROD
Title: PRESIDENT & CEO

Executed on this 22 day of MARCH, 2004.

[CORPORATE SEAL]

STATE OF MAINE

COUNTY OF PENOBSCOT

I, GAYNOR L. RYAN, a Notary Public of the County and State aforesaid, certify that ROBERT C. GRINDROD personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 22ND day of MARCH, 2004.

Gaynor L. Ryan
Notary Public

My Commission Expires:

5/4/2008
(Notary Public)

GAYNOR L. RYAN
Notary Public, Maine
My Commission Expires May 4, 2008

EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Twenty-five (25)

DESCRIPTION OF CARS: Covered Hopper Cars, 4750 cu. ft., 263 GRL

CAR NUMBERS:

NOKL 821026
NOKL 821045
NOKL 821077
NOKL 821643
NOKL 821706
NOKL 821728
NOKL 821820
NOKL 821847
NOKL 821898
NOKL 821901
NOKL 821921
NOKL 821924
NOKL 822779
NOKL 822875
NOKL 823077
NOKL 823150
NOKL 827302
NOKL 827303
NOKL 827308
NOKL 827436
NOKL 827437
NOKL 827438
NOKL 827543
NOKL 827544
NOKL 830720
Count: 25